

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-392-C - ORDER NO. 2003-386

JUNE 9, 2003

IN RE:	Application of Global Communications)	ORDER GRANTING
	Consulting Corp. for a Certificate of Public)	CERTIFICATE AND
	Convenience and Necessity to Operate as a)	MODIFIED
	Reseller of Interexchange)	ALTERNATIVE
	Telecommunications Services and for)	REGULATION
	Modified Alternative Regulation.)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Global Communications Consulting Corporation ("GCCC" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate GCCC's long distance business services, consumer card services, operator services and private line service offerings in accordance with the principles and procedures established for relaxed regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Order No. 2001-997 in Docket No. 2000-407-C (now known as "modified alternative regulation"). The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2002) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed GCCC to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of GCCC's application

and of the manner and time in which to file the appropriate pleadings for participation in the proceedings. GCCC complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or protests regarding the Application were received by the Commission.

A hearing was convened on April 30, 2003, at 11:30 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Mignon Clyburn, Chairman, presided. GCCC was represented by Bonnie D. Shealy, Esquire. Jocelyn Boyd, Staff Counsel, represented the Commission Staff.

Mr. Christopher Ricca, Vice President of Operations of GCCC, appeared and testified in support of the Application. The record reveals that Mr. Ricca described the nature of GCCC's proposed service offerings within the State of South Carolina. Additionally, Mr. Ricca demonstrated the Company's financial, managerial, and technical ability to provide telecommunications services in South Carolina.

GCCC is incorporated in the State of Delaware and has been authorized to transact business within the State of South Carolina. The Company seeks authority to operate as a reseller of intrastate interexchange telecommunications services to the public on a statewide basis and to offer a full range of "1+" interexchange telecommunications services on a resale basis. Specifically, the Company seeks authority to provide MTS, out-WATS, in-WATS, and post-paid calling card services. GCCC will offer service to its subscribers using facilities of the communications networks of GCCC, other facilities-based IXCs, and the local exchange telephone companies.

The Company is authorized to provide telecommunications services in numerous states including Georgia, North Carolina, and Florida. GCCC will file a tariff that comports with all orders, rules, and regulations of the Commission, according to the testimony. Furthermore, the Company will charge the tariffed rates as approved by the Commission. GCCC will market services through its agents. Mr. Ricca testified that the Company does not intend to utilize telemarketing in South Carolina.

Regarding the Company's managerial resources, Mr. Ricca testified that GCCC's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience. The President of the Company is Michael G. Franklin. Mr. Franklin was employed by INNCOM International, Inc. from 1995 until 2002. From 1990 until 1995, Mr. Franklin was employed as Executive Director of the Southeast Area Technology Development Center. In 1977, Mr. Franklin founded MGF Development Corporation, an architectural/engineering design build company catering to light commercial projects, as well as high-end residential communities. Mr. Ricca has over fourteen years experience in the telecommunications industry. The record reveals that Mr. Ricca's experience in the telecommunications industry includes the following positions: co-founder and Chief Executive Officer of Enhanced Telecommunications Solutions, Inc., founder and Chief Executive Officer of Enhanced Communications Network, founder of TC Marketing, Vice President – Operations of NexGen Telecommunications, Inc., Vice President – Operations of Digital Technologies, Inc., and Vice President – Operations of Polar Communications Corporation. The Company's Chairman of the Board is Douglas E.

Keller. In April 2000, Mr. Keller founded Datalecs Corporation as a consulting firm on high end telecommunications related products, including website development, networking platforms, and system integration. In 1995, Mr. Keller founded Euronet Communications as a 0+ carrier. Mr. Keller founded Polar Communications/Digital Technologies in 1990, as a payphone operator providing service to approximately 5000 payphones and owning an additional 3500 payphones. Mr. Keller sold this business in 1995.

In support of GCCC's financial ability to provide the telecommunications services the Company seeks to provide in South Carolina, GCCC filed a balance sheet with the Commission as Exhibit D to the Application and Mr. Ricca attached a copy of the Company's most current financial statements to his prefled written testimony. As of February 28, 2003, the Company's total current assets were \$1,928,825.98. The Company's total current liabilities as of February 28, 2003, totaled \$459,711.95. Moreover, GCCC's total equity as of February 28, 2003 was \$184,906.53.

GCCC indicates a desire to have its long distance business services, including consumer card services, operator services, and private line services offerings regulated by modified alternative regulation. GCCC requested that all of its long distance business service offerings be regulated pursuant to the procedures described and set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. It is GCCC's intent by this request to have its long distance business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States. Alternative regulation has now been modified by this Commission through the re-imposition of rate caps with

regard to certain “operator assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls.

Mr. Ricca testified that GCCC operates a customer service department that can be reached conveniently by a toll free number (800) 371-0642, twenty-four hours a day, seven days a week. According to the Application and Mr. Ricca’s testimony, GCCC seeks a waiver from the Commission Rules and Regulations. GCCC requests a waiver of 26 S.C. Code Regs. 103-610 (1976) so that it may maintain its records outside of South Carolina. Specifically, GCCC seeks to maintain its books and records at its headquarters office in New Jersey. GCCC also requests that it be allowed to keep its books and financial records according to the Generally Accepted Accounting Principles (GAAP) rather than according to the Uniform System of Accounts (USOA).

According to Mr. Ricca, GCCC has never had authority denied in any state where it has applied for authority nor has GCCC had authority revoked in any state where it has been granted authority. Additionally, GCCC has never been the subject of an investigation nor been fined or sanctioned by a state or federal regulatory body. Finally, Mr. Ricca testified that GCCC will serve the public interest by creating greater competition in the interexchange marketplace; providing consumers with a greater choice of billing options and long distance services for intrastate calls; and expanding the tax base and revenue sources for the State.

After full consideration of the applicable law, GCCC's Application, and the evidence presented at the hearing, the Commission hereby issues its Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. GCCC is a privately-held corporation duly organized and existing under the laws of the State of Delaware and has been authorized to do business in the State of South Carolina by the Secretary of State.

2. GCCC is a provider of interexchange telecommunications services and wishes to provide its services in South Carolina.

3. GCCC has the managerial, technical, and financial resources to provide the services as described in its Application.

4. The Commission finds that GCCC should be granted a waiver of 26 S.C. Code Regs. 103-610 requiring that reports and records be maintained within the State of South Carolina.

5. The Commission finds it appropriate for GCCC to maintain its books and records using Generally Accepted Accounting Principles (GAAP) rather than the Uniform System of Accounts (USOA) as developed by NARUC.

CONCLUSIONS OF LAW

1. The Commission concludes that a Certificate of Public Convenience and Necessity should be, and hereby is, granted to GCCC to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area

Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for the interexchange business services of GCCC consistent with the principles and procedures established for alternative regulation of long distance business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and modified by Order No. 2001-997. Following the modification of the alternative regulation by Commission Order No. 2001-997, this form of regulation is commonly referred to by the Commission, Staff, and others as “modified alternative regulation.”

Under the Commission approved modified alternative regulation, the business service offerings of GCCC, including consumer card services, operator services and private line services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 issued in Docket No. 2000-407-C, this Commission has modified the previously approved alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme known as modified alternative

regulation, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to GCCC also.

3. With regard to any residential interexchange service offerings of GCCC, the Commission adopts a rate design that includes only maximum rate levels for each tariff charge. The Commission has previously adopted a rate structure incorporating maximum rate levels. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

4. With regard to residential interexchange service rates, GCCC shall not adjust its residential interexchange service rates below the approved maximum levels without notice to the Commission and to the public. GCCC shall file its proposed rate changes, publish notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances that do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of GCCC's subscribers shall

constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2002).

5. If it has not already done so by the date of issuance of this Order, GCCC shall file its revised interexchange tariffs and accompanying price lists within thirty (30) days of receipt of this Order. The revised tariffs shall be consistent with the findings of this Order, shall incorporate the changes suggested by the Staff and with which GCCC agreed, and shall be consistent with South Carolina law, including the Commission's Rules and Regulations.

6. GCCC is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to GCCC's interexchange services, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

8. GCCC shall resell the services of only those interexchange carriers or LECs authorized by this Commission to provide telecommunications services within the State of South Carolina. If GCCC changes underlying carriers, it shall notify the Commission in writing.

9. With regard to the origination and termination of toll calls within the same LATA, GCCC shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has

been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, GCCC shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

10. GCCC shall file annual reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, GCCC shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form to be used in filing annual financial information with the Commission may be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. The two-page form GCCC is required to use in which to file the required information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS." Be advised that the Commission's annual report form requires the filing of intrastate revenues and intrastate expenses. The Company shall file intrastate gross receipts reports with the Commission on or before August 31st of each year.

11. GCCC shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, GCCC shall provide to the Commission in writing the names of the

authorized representatives to be contacted in connection with general management duties as well as emergencies occurring during non-office hours.

GCCC shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form GCCC is required to use by which to file the authorized utility representative information may be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. This form is entitled "Authorized Utility Representative Information." Further, if any representatives are replaced, GCCC shall promptly notify the Commission in writing.

GCCC shall also file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2001).

12. GCCC shall conduct its business in compliance with Commission decisions and Orders, both past and future.

13. With regard to GCCC's request for a waiver 26 S.C. Code Regs. 103-610 of the Commission's Rules and Regulations, GCCC is hereby granted a waiver of 26 S.C. Code Regs. 103-610. Further, GCCC may keep its books and records according to Generally Accepted Accounting Principles (GAAP) rather than according to the Uniform System of Accounts (USOA), as requested.

14. Each telecommunications company certified in South Carolina is required to file annually the Intrastate State Universal Service Fund (USF) worksheet. This worksheet provides the Commission Staff with information required to determine each

telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than August 15th.


15. GCCC shall comply with all Rules and Regulations of the Commission, unless the Commission specifically waives a regulation.

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Mignon L. Clyburn, Chairman

ATTEST:


Gary E. Walsh, Executive Director

(SEAL)